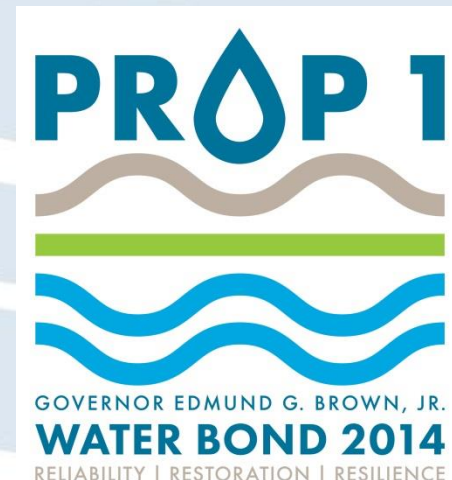


PROPOSITION 1

WATER QUALITY, SUPPLY, AND INFRASTRUCTURE IMPROVEMENT ACT OF 2014 (ASSEMBLY BILL 1471, RENDON)

- Authorized \$7.545 billion in general obligation bonds for water projects
- State Water Board will administer five programs (\$2.1 billion):
 - Wastewater
 - Stormwater
 - Water Recycling
 - Groundwater
 - Drinking Water



SMALL COMMUNITY WASTEWATER PROPOSITION 1, CHAPTER 5, SECTION 79723

- \$260 million to the Clean Water State Revolving Fund (CWSRF) Small Community Grant (SCG) Fund
- State Water Board will consider the Program Guidelines **June 2, 2015**
- At least 10 percent to severely disadvantaged communities (SDACs)
- Up to 15% for multi-disciplinary technical assistance for small DACs and SDACs

SMALL COMMUNITY WASTEWATER PROPOSED PROCESS

- Utilize the CWSRF application process
- Simplifies the funding process
- Grants easily combined with low-interest (loan) financing
- Applications accepted continuously
- Funded in the order applications are completed and approved
- Planning and construction projects

DRAFT SFY 2015/16 CWSRF IUP

TABLE 4: ELIGIBILITIES AND FUNDING MAXIMUMS

Eligible Applicants: Public agencies, 501(c)(3) non-profit organizations, and tribes.				
Project Types: CWSRF-eligible wastewater projects.				
Affordability Criteria			Grant Amount	
Population	Community Median Household Income (MHI)	Wastewater Rates as Percent of MHI	Percentage of Total Project Cost	Up to a Maximum of (\$ million)
<20,000	ANY	≥4.0%	50	6
	Disadvantaged Community (DAC) with MHI <80% of Statewide MHI	≥1.5%	50	4
		≥2.0%	50	6
	Severely Disadvantaged Community (SDAC) with MHI <60% of Statewide MHI	≥1.5%	75	4
		≥2.0%	75	6

SMALL COMMUNITY WASTEWATER ELIGIBILITY AND FUNDING MAXIMUMS

- Construction Grants
 - Maximum grant amount may increase to \$8 million for projects that either:
 - Connect previously unsewered areas
 - Regionalize wastewater treatment works,
 - Reduce or prevent contamination of drinking water supplies

WATER RECYCLING FUNDING PROGRAM

PROPOSITION 1, CHAPTER 9

- \$625 million available for grants and loans
- Guidelines posted online Friday, March 13, 2015
- Written comments were due Friday, April 24, 2015
- Public workshops were:
 - Fresno: Tuesday, April 14, 2015
 - Perris: Thursday, April 16, 2015
 - Sacramento: Tuesday, April 21, 2015
- Board consideration **June 16, 2015**

Draft Program Guidelines

Planning Grants

Existing

Proposed

Planning Grants

- **State Share:** 50%
- **Maximum Grant:** \$75,000

- **State Share:** 75%
- **Maximum Grant:** SAME

Program Guidelines

Construction Grants

Existing

Proposed

Construction Grants

- **State Share:** 25%
- **Maximum Grant:** \$5,000,000
- **Allowance:** 15% of the eligible grant amount for design and construction allowances

- **State Share:** 35% (40% for SDAC)
- **Maximum Grant:** \$15,000,000 (\$20,000,000 for SDAC)
- **Allowance:** 15% of the eligible grant amount for construction management, contingency, and other construction allowances

Program Guidelines

Construction Financing

Existing

Proposed

Construction Financing

- **Interest:** 1/2 General Obligation Bond Rate
- **Term:** 20 year
- **Allowance:** 15% of the eligible financing amount for design and construction allowances

- **Interest:** 1/2 General Obligation Bond Rate*
- **Term:** 30 year
- **Allowance:** Follows the CWSRF Policy

* 1% financing available through CWSRF for a limited time

DRINKING WATER FUNDING PROGRAM PROPOSITION 1, CHAPTER 5

- \$260 million available for grants and loans
- Up to \$5 million grant per project
- Up to \$20 million grant per regional project that benefits at least one small DAC

Table 1 – Proposed Local Cost Share Requirements

Affordability Criteria		Grant Amount	
	Water Rate as Percent of MHI ¹	Percentage of Total Project Cost ²	Maximum Grant Amount (\$ million) ³
DAC	WMHI < 1.5%	Loan to Raise Rates to ≥ 1.5%	
	1.5 ≤ WMHI < 2	65%	5
	2 ≤ WMHI < 2.5	70%	5
	WMHI ≥ 2.5%	80%	5
SDAC	NA	100%	5

¹Public Schools for which water rates are not charged, the Division may approve 100% grant up to a maximum of \$5 million. Economically distressed areas as defined by Chapter 2, Section 79702 (K) may receive 100% grant.

²Remainder of Project Cost will can be a Drinking Water Loan or other non-state water board grant.

³A maximum grant amount of \$5 million per project, or \$20 million per regional project where at least one entity is a DAC.

⁴These approximations were based on 2015 MHI amounts of \$48,875 to qualify as a DAC and \$36,656 to qualify as a SDAC. Applicants will use the MHI for their service area to calculate % of water rate to MHI.

DRINKING WATER FUNDING PROGRAM

- Draft Guidelines posted mid-May
- Workshops:
 - Sacramento – June 22
 - Fresno – June 25
 - Riverside – June 29
- Final Guidelines August 2015

Proposition 1

Stormwater Grant Program

- \$200 million for multi-benefit stormwater management projects
- Eligible projects –
 - green infrastructure,
 - rainwater and stormwater capture projects
 - stormwater treatment facilities
- Up to 10% for Planning and Monitoring necessary for successful design, selection and implementation

Proposition 1

Stormwater Grant Program

- 10 percent of fund in disadvantaged communities (DACs)
- Non-state cost share of 50 percent (can be waived or reduced for DACs)

Proposition 1

Stormwater Grant Funding

Next Steps

- Stakeholder input on Draft Guidelines
- Coordinated w/stormwater resource plan (SB 985 guidelines)
- Draft Guidelines anticipated December 2015
- 3 public meetings on draft guidelines
- Board Consideration January 2016

GROUNDWATER FUNDING PROGRAMS

Grants

- Proposition 1 Groundwater Sustainability
- Senate Bill 445 Site Cleanup Subaccount Program

Loans

- Proposition 1 Groundwater Sustainability
Grant/Loan split for Prop 1 not established

Proposition 1 Groundwater Sustainability Program (Assembly Bill 1471, Chapter 10) - \$800 Million

Eligible Applicants

- Public Agencies, Tribes, Public Utilities, Non-Profits, Mutual Water Companies

Eligible Projects

- Prevent or Clean up Contamination (natural and anthropogenic) of Groundwater that serves or has served as a source of Drinking Water

Priorities based on:

- Threat posed by groundwater contamination to drinking water supply
- Potential for groundwater contamination to spread/impair
- Potential of project to enhance local water supply reliability
- Potential of project to recharge vulnerable, high-use basins
- Projects with no viable responsible party(ies)

Proposition 1 Groundwater Sustainability Program (Assembly Bill 1471, Chapter 10) - \$800 Million

Timeline (estimates)

- Draft Guidelines – April 2016
- Public Workshops – May 2016
- Board Consideration – July/August 2016
- First Round - Solicitation/Review– Fall/ Winter 2016/17

Proposed Application Process

- Pre-application questionnaire through on-line Financial Assistance Application Submittal Tool (FAAST):
<https://faast.waterboards.ca.gov>
- Technical assistance providers may be available for disadvantaged communities

Senate Bill 445 Site Cleanup Subaccount \$19.5 Million Anticipated FY 2015/2016

Funding

- Fee on fuel storage

Eligible Projects

- Identify source of surface or groundwater contamination
- Remediate harm or threat to human health, safety, and the environment from surface or groundwater contamination

Eligible Applicants: Applicants w/eligible projects

5 Considerations:

- Significant Threat to Human Health or the Environment
- Disadvantaged or Small Community Impact
- Cost and Environmental Benefit of Investigation/Cleanup
- Availability of Alternate Funding Source(s)
- Other Board Considerations

Senate Bill 445 Site Cleanup Subaccount

Requirements:

- Regulatory agency has issued a directive
- Responsible Party lacks sufficient financial resources

Process Development – 2015/16

- Pre-application – June 2015
- Public workshops –
 - June 2 - Fresno
 - June 4 – Sacramento (webcast)
- Full application – summer 2015
- Solicitation/Review applications
- Board adopts annual project list

Cleanup and Abatement Account

- Statutory Changes:
 - Eligibility
 - Public Agency
 - DAC Tribal Government
 - Not-for-profit serving DAC
 - Community Water System serving DAC
 - Projects to address urgent drinking water needs; does not have to be result of waste discharge
 - State Water Board will consider Guidelines
May 19, 2015
 - Exempt from state contracting if to protect public H&S
 - Section inoperative July 1, 2018

Cleanup and Abatement Account

- Appropriations – AB 91
 - \$15 million – Grants and direct expenditures
 - Drought-related drinking water emergencies
 - Encumber by June 30, 2016
 - \$4 million
 - Interim emergency drinking water to DACs with contaminated water supplies (any contaminant)
 - Encumber by June 30, 2016